

## Message Text

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17

ACTION EB-07

INFO OCT-01 EA-07 IO-13 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FEA-01

OIC-02 AF-08 ARA-06 EUR-12 NEA-10 /139 W

----- 032963

R 070210Z JUL 76

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 5471

INFO AMEMBASSY BANGKOK

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMCONSUL MEDAN

AMCONSUL SURABAYA

USDEL MTN GENEVA

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DEPARTMENT PASS STR

EO 11652: NA

TAGS: ETRD MTN ID

SUBJECT: TRPOICAL PRODUCTS NEGOTIATIONS

REF: STATE 141388

1. SUMMARY: EMBASSY REPS MET WITH GOI DIRECTOR GENERAL  
OF FOREIGN TRADE SUHADI MANGKOESOEWONDO 3 JULY TO PRESENT  
US POSITION AT TROPICAL PRODUCT TALKS. GOI FULLY UNDER-  
STANDS US RECIPROCITY POSITION BUT SINCE US ALONE AMONG  
DEVELOPED COUNTRIES IS FIGHTING TREND OF UNRECIPROCAL  
CONCESSIONS FOR LDCS, GOI SEES NO NEED NOW TO GIVE IN TO  
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US VIEW. SOME SOFTENING OF GOI HARDER-LINE STANCE TOWARD

DC-LDC RELATIONS IN GENERAL, HOWEVER, MAY HAVE BEEN SIGNALLED BY SUHADI'S COMMENTS THAT WITHIN GROUP OF 77, ASEAN INTERESTS TAKE PRIORITY FOR GOI. END SUMMARY.

2. EMBOFF AND E/CM COUNSELOR MET ON 3 JULY WITH GOI DIRECTOR GENERAL OF FOREIGN TRADE SUHADI MANGKOESOEWONDO AND SIREGAR OF HIS STAFF TO REVIEW TROPICAL PRODUCTS MTN TALKS AS INSTRUCTED REFTEL. COUNSELOR EXPLAINED DETAILS OF US POSITION ON TRADE CONCESSIONS REQUIRING RECIPROCITY FROM LDC'S, BENEFITS TO BE OBTAINED FROM MFN VICE GSP CONCESSIONS, POLITICAL AND ECONOMIC RATIONALE FOR US STANCE AND EXPLORED QUESTIONS ASKED REFTEL. SUHADI ALSO GIVEN WRITTEN OUTLINE US POSITION.

3. SUHADI EXPRESSED AWARENESS AND UNDERSTANDING OF US POSITION, AND ACKNOWLEDGED SOME VALIDITY FOR ITS RATIONALE. HE ALSO CONFESSED, HOWEVER, THAT HIS SCHEDULE PREVENTED HIM FROM BEING AS UP TO DATE AS HE SHOULD ON ALL DETAILS OF NEGOTIATIONS, AND PROMISED TO LOOK INTO IT MORE CAREFULLY.

4. SUHADI POINTED OUT, NOTWITHSTANDING LOGIC OF US POSITION, THAT UE IS FIGHTING LOSING BATTLE IN BEING ALONE AMONG DEVELOPED COUNTRIES IN REQUIRING RECIPROCITY. HE NOTED, HOWEVER, THAT PARAGRAPH 5 OF TOKYO DECLARATION UNFORTUNATELY AMBIGUOUS ON THIS POINT AND COULD BE USED BY EITHER SIDE TO ARGUE RECIPROCITY OR NON-RECIPROCITY. HE ADDED THAT AS LONG AS TREND OF DC-LDC NEGOTIATIONS FAVORS LDCS, AND LDCS ARE SUCCESSFUL IN GETTING UNRECIPROCAL BENEFITS FROM BULK OF DCS, WHY SHOULD THEY GIVE IN TO US?

5. SUHADI REJECTED US ARGUMENT THAT FAVORS MFN OVER GSP CONCESSIONS DESPITE INDONESIA'S CURRENT OPEC EXCLUSION FROM GSP CONSIDERATION. HE SAW NO NEED FOR BOTH MFN AND GSP FORMATS AS COMPLEMENTARY. WITHOUT BEING SPECIFIC, HE CALLED FOR FURTHER CONCESSIONAL TERMS FOR LDCS UNDER MFN AS WELL AS IMPROVEMENTS IN GSP SYSTEM. (FYI: SUHADI EXPRESSED KEEN INTEREST IN POSSIBLE EFFECTS ON GSP EXCLUSION FOR OPEC MEMBERS LIMITED OFFICIAL USE

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AS WELL AS OTHER LDC ECONOMIC ISSUES RELATIVE TO OUTCOME OF US ELECTIONS THIS NOVEMBER. END FYI.)

6. THE DIRECTOR GENERAL ECHOED GOI'S HARDER-LINE APPROACH TO DC-LDC ECONOMIC RELATIONS BY CHARACTERIZING DC OFFERINGS TO UNCTAD AND SEVENTH SPECIAL GENERAL ASSEMBLY AS QUOTE MERELY IMPROVEMENTS AT THE MARGIN UNQUOTE. HE SAID PAST TEN-FIFTEEN YEARS EXTREMELY

UNBALANCED FOR LDCS AND THAT MORE SUBSTANTIAL MEASURES MUST BE TAKEN TO CLOSE DC-LDC GAP. HE SAID QUOTE SMALL CHANGES ONLY RESULT IN REPEATING THE PAST UNQUOTE.

7. SUHADI ADDED NEW ELEMENT TO OUR UNDERSTANDING OF GOI'S ROLE IN GROUP IF 77 BY FLATELY STATING THAT WITHIN THAT GROUP INDONESIA'S IDENTITY LIES FIRST AND FOREMOST WITH ITS ASEAN BROTHERS. HE ADDED THAT ASEAN GROUP TAKING INITIATIVE IN TROPICAL PRODUCTS TALKS AND ANY NEGOTIATING INDONESIA DID THERE OR IN OTHER FORUMS WOULD BE IN TERMS OF ASEAN'S BEST INTERESTS.

8. COMMENTS: SUHADI, LIKE MOST COMPETENT GOI OFFICIALS DEALING WITH ECONOMIC MATTERS, HAS BEEN STRECHED VERY THIN THESE PAST SEVERAL MONTHS. ALTHOUGH NOT UP TO DATE IN SOME SPECIFIC DETAILS OF TROPICAL PRODUCTS TALKS, HE WAS AWARE OF MAJOR ISSUES. SUHADI CAN AT TIMES BE QUITE ACERBIC BUT UNUSALLY MILD MANNERED TONE AND EMPHASIS ON GOI'S FIRST LOYALTY TO ASEAN AT THIS MEETING MAY BE SIGNAL THAT WHILE INDONESIA HAS RECENTLY MOVED TOWARD RADICALS IN GROUP OF 77, IT MAY NOT BE WILLING ON SOME ISSUES TO SACRIFICE POSSIBLE NATIONAL AND REGIONAL GAINS FOR SAKE OF LDC SOLIDARITY. SUHADI ASKED SIREGAR OF HIS STAFF TO LOOK INTO AND BRING HIM MORE UP TO DATE ON SPECIFICS OF TROPICAL PRODUCT TALKS , SO WE MAY HEAR MORE FROM HIS OFFICE IN FUTURE. SUHADI DEPARTED JULY 5 FOR SINGAPORE ASEAN TRADE RALKS EN ROUTE TO PARIS FOR CIEC MEETINGS.

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## Message Attributes

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